

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA

Alexandria Division



UNITED STATES OF AMERICA

v.

ITZHAK LOZ,  
(a/k/a Ari, a/k/a Avi)

RONEN FAKIRO,

BOAZ BOROHOF,

OFRA BOROHOF,

ARKADY BANGIYEV,  
(a/k/a Alex)

EDUARD BANGIYEV,  
(a/k/a Eddie)

JOHNNY LEE,  
(a/k/a Ramel, a/k/a Ra, a/k/a Jason Carter)

TARELL JOHNSON,  
(a/k/a Nu Nu, a/k/a Nu)

CRAIG JOHNSON,  
(a/k/a Uncle Bill)

SHANNON LAMONT SMITH,

FREDERICK BARRETT,

RAMEL EPPS,

BRATTIE GUERRA,

Defendants.

CRIMINAL NO. 1:14CR206

Count One

Conspiracy

18 U.S.C. §§ 371, 471, 472, 473, 474

Forfeiture

18 U.S.C. § 981(a)(1)(C)

28 U.S.C. § 2461(c)

FRCP 32.2(a)

Judge O'Grady

JUNE 2014 TERM – AT ALEXANDRIA

INDICTMENT

THE GRAND JURY CHARGES THAT:

INTRODUCTION

At all times relevant to this Indictment:

1. The United States Department of the Treasury, through the Bureau of Engraving and Printing (BEP), develops and produces United States Currency notes, which are trusted worldwide. As its primary function, the BEP oversees the production of billions of dollars, referred to as Federal Reserve Notes (FRN). The production of FRN is not a simple or easy task and involves highly-trained and skilled craftspeople, specialized equipment and a combination of traditional, old-world printing techniques merged with sophisticated, cutting-edge technology. Overall, there are numerous, distinctive steps required in the production process and the design, paper and ink used in the production of FRN are distinct. The FRN also have various security features as a means to protect against counterfeiting.

2. Genuine FRN are circulated through the Federal Reserve, which operates as the nation's central bank and serves to ensure that adequate amounts of currency are in circulation. On or about October 8, 2013, the BEP issued a re-designed \$100 FRN which contained new and additional security features, including a watermark portrait of Benjamin Franklin, a 3-D blue security thread, an image of a liberty bell in the inkwell, color shifting "100," raised printing, gold ink "100" and microprinting. Subtle background colors were added to the redesigned notes to make them more secure and difficult to counterfeit.

3. The United States Secret Service was created in 1865 with the sole mission of suppressing counterfeiting of the Nation's currency. In 2005, the United States Secret Service first detected a high quality \$100 FRN in New York that was produced through the use of off-set

printing. This note was identified as Circular-23332 (C-23332). The United States Secret Service estimates that from 2005 until the present, approximately \$32 million of C-23332 was passed and seized by law enforcement.

Count 1

4. Paragraphs 1 and 3 of this Indictment are hereby re-alleged and re-incorporated by reference.

5. From in or about October of 2011, and continuing until on or about June 1, 2014, in the Eastern District of Virginia and elsewhere, defendants ITZHAK LOZ (a/k/a Ari, a/k/a Avi), RONEN FAKIRO, BOAZ BOROHOV, OFRA BOROHOV, ARKADIY BANGIYEV (a/k/a Alex), EDUARD BANGIYEV (a/k/a Eddie), JOHNNY LEE (a/k/a Ramel, a/k/a Ra, a/k/a Jason Carter), TARELL JOHNSON (a/k/a Nu Nu, a/k/a Nu), CRAIG JOHNSON (a/k/a Uncle Bill), SHANNON LAMONT SMITH, FREDERICK BARRETT, RAMEL EPPS and BRATTIE GUERRA and others, both known and unknown to the grand jury, did unlawfully and knowingly combine, conspire, confederate and agree to commit the following offenses against the United States:

(a) to falsely make, forge and counterfeit, with intent to defraud, falsely made, forged and counterfeited obligations of the United States, that is, \$100 Federal Reserve Notes (C-23332), in violation of Title 18, United States Code, Section 471;

(b) to pass, utter, publish and sell, with intent to defraud, falsely made, forged and counterfeited obligations of the United States, that is, \$100 Federal Reserve Notes (C-23332), which the defendant(s) then knew to be falsely made, forged and counterfeited, in violation of Title 18, United States Code, Section 472;



(c) to bring into the United States, and keep in possession, and conceal, with intent to defraud, falsely made, forged and counterfeited obligations of the United States, that is, \$100 Federal Reserve Notes (C-23332), which the defendant(s) then knew to be falsely made, forged and counterfeited, in violation of Title 18, United States Code, Section 472;

(d) to buy, sell, exchange, transfer, receive, and deliver false, forged and counterfeited obligations of the United States, that is, \$100 Federal Reserve Notes (C-23332), with the intent that the same be passed, published and used as true and genuine, in violation of Title 18, United States Code, Section 473;

(e) to make, execute, acquire, scan, capture, record, receive, transmit, reproduce and sell, with intent to defraud, and have in such person's control, custody and possession, an analog, digital, and electronic image of an obligation of the United States, that is, a \$100 Federal Reserve Note, in violation of Title 18, United States Code, Section 474(a);

(f) to have in their control, custody and possession a plate made after and in the similitude of a plate used to print obligations of the United States, that is, \$100 Federal Reserve Notes, with intent to use such plate, and to suffer such plate to be used, in forging and counterfeiting such obligations of the United States, in violation of Title 18, United States Code, Section 474(a);

(g) to have in their possession and custody, with intent to sell and otherwise use, that is, counterfeited \$100 Federal Reserve Notes, made after the similitude of obligations issued under the authority of the United States, in violation of Title 18, United States Code, Section 474(a);

(h) to possess an obligation made and executed, in whole and in part, after the similitude of any obligation issued under the authority of the United States, that is, a \$100

Federal Reserve Note, with intent to sell and otherwise use the same, in violation of Title 18, United States Code, Section 474(a).

The Objects of the Conspiracy

The objects of the conspiracy included enriching the co-conspirators through, among other things, the making, dealing and uttering of counterfeit \$100 Federal Reserve Notes (counterfeit U.S. currency).

Ways, Manner and Means

Among the ways, manner and means by which the defendants and the co-conspirators accomplished the objects of the conspiracy included the following:

1. It was part of the conspiracy that the co-conspirators traveled from the Eastern District of Virginia to New York with genuine U.S. currency to obtain counterfeit \$100 Federal Reserve Notes.
2. It was further part of the conspiracy that the co-conspirators traveled from Georgia to the Eastern District of Virginia to obtain counterfeit \$100 Federal Reserve Notes.
3. It was further part of the conspiracy that the co-conspirators traveled in interstate and foreign commerce to manufacture, produce, sell, obtain and utter \$100 Federal Reserve Notes (FRN) in exchange for genuine U.S. currency.
4. It was further part of the conspiracy that the co-conspirators obtained the counterfeit \$100 Federal Reserve Notes with genuine U.S. currency and that the counterfeit Federal Reserve Notes were sold at a percentage of the face value of the genuine U.S. currency, in amounts ranging from 20% to 50% on the dollar.
5. It was further part of the conspiracy that the co-conspirators communicated with one another via cellphone, text messages and in person.

6. It was further part of the conspiracy that the co-conspirators used code words and phrases to refer to counterfeit U.S. currency.

7. It was further part of the conspiracy that the co-conspirators brought counterfeit U.S. currency into the United States and possessed and concealed counterfeit U.S. currency.

8. It was further part of the conspiracy that the co-conspirators structured cash deposits of genuine U.S. currency, in amounts under \$10,000, at domestic financial institutions to avoid currency reporting requirements and to facilitate the purchase of counterfeit U.S. currency.

9. It was further part of the conspiracy that the co-conspirators withdrew genuine U.S. currency at domestic financial institutions in the Eastern District of Virginia to obtain counterfeit \$100 Federal Reserve Notes.

10. It was further part of the conspiracy that the co-conspirators used "Federal Express" and other means to transport genuine U.S. currency and counterfeit U.S. currency to one another.

11. It was further part of the conspiracy that the co-conspirators passed and uttered counterfeit U.S. currency at various retail stores along the eastern part of the United States, including stores in the Eastern District of Virginia.

#### Overt Acts

1. On or about March 17, 2012, in Woodbridge, Virginia, within the Eastern District of Virginia, an unindicted co-conspirator (UCC-1) uttered four (4) counterfeit \$100 Federal Reserve Notes (FRN) at Loan Max.

2. On or about May 15, 2012, in Woodbridge, Virginia, UCC-1 uttered four (4) counterfeit \$100 FRN at Loan Max.

3. On or about June 9, 2012, in Stafford, Virginia, within the Eastern District of



Virginia, UCC-1 and a second unindicted co-conspirator (UCC-2) each uttered one (1) counterfeit \$100 FRN in two separate transactions at Wal-Mart, for a total of \$200.

4. On or about July 21, 2012, in Woodbridge, Virginia, UCC-2 uttered one (1) counterfeit \$100 FRN at Sam's Club.

5. On or about July 28, 2012, in Stafford, Virginia, UCC-1 and UCC-2 each uttered one (1) counterfeit \$100 FRN, in two separate transactions, for a total of \$200.

6. On or about December 27, 2012, in Lithia Springs, Georgia, CRAIG JOHNSON deposited \$4,500 in genuine U.S. currency into a joint BB&T checking account ending in 0984 belonging to UCC-1 and UCC-2.

7. On or about December 28, 2012, in Lithia Springs, Georgia, CRAIG JOHNSON deposited \$4,500 in genuine U.S. currency into a joint BB&T checking account ending in 0984 belonging to UCC-1 and UCC-2.

8. On or about January 2, 2013, in Lithia Springs, Georgia, CRAIG JOHNSON deposited \$4,500 in genuine U.S. currency into a joint BB&T checking account ending in 0984 belonging to UCC-1 and UCC-2.

9. On or about January 3, 2013, in Woodstock, Georgia, CRAIG JOHNSON deposited \$4,500 in genuine U.S. currency into a joint BB&T checking account ending in 0984 belonging to UCC-1 and UCC-2.

10. On or about January 26, 2013, in Frederick, Maryland, UCC-1 and UCC-2 both uttered two (2) counterfeit \$100 FRN in two separate transactions at Wal-Mart, for a total of \$400.

11. On or about January 27, 2013, in Stafford, Virginia, UCC-1 uttered one (1) counterfeit \$100 FRN, in two separate transactions, at Wal-Mart for a total of \$200 and UCC-2 attempted to utter one (1) counterfeit \$100 FRN.

12. On or about May 20, 2013, in Freeport, New York, TARELL JOHNSON sold one hundred (100) counterfeit \$100 FRN to UCC-1 in exchange for \$4,300 in undercover funds.

13. On or about September 2, 2013, in Forest Hills, New York, EDUARD BANGIYEV transferred a quantity of counterfeit U.S. currency to JOHNNY LEE and TARELL JOHNSON for sale to others.

14. On or about September 5, 2013, in Freeport, New York, TARELL JOHNSON sold one hundred (100) counterfeit \$100 FRN to UCC-1 in exchange for \$4,200 in undercover funds.

15. On or about September 5, 2013, in Glen Oaks, New York, TARELL JOHNSON delivered cash proceeds to JOHNNY LEE from the sale of \$10,000 in counterfeit U.S. currency to UCC-1.

16. On or about September 10, 2013, TARELL JOHNSON and CRAIG JOHNSON discussed obtaining counterfeit U.S. currency.

17. On or about October 27, 2013, in Nashville, Tennessee, JOHNNY LEE uttered four (4) counterfeit \$100 FRN at Toys R Us.

18. On or about November 21, 2013, ARKADIY BANGIYEV telephoned EDUARD BANGIYEV and directed him to give \$100,000 in genuine U.S. currency to a courier coming to A.K. 47<sup>th</sup> Street Buyers in New York.

19. On or about November 21, 2013, ARKADIY BANGIYEV spoke with ITZHAK LOZ to discuss the delivery of \$100,000 in genuine U.S. currency to a courier.

20. On or about November 21, 2013, in New York, New York, EDUARD BANGIYEV gave \$100,000 in genuine U.S. currency to a courier at A.K. 47<sup>th</sup> Street Buyers, at the direction of ARKADIY BANGIYEV, and on behalf of ITZHAK LOZ.

21. On or about December 10, 2013, in Rego Park, New York, ARKADIY



BANGIYEV and EDUARD BANGIYEV transferred \$100,000 in genuine U.S. currency to ITZHAK LOZ.

22. On or about December 14, 2013, ITZHAK LOZ and ARKADIY BANGIYEV spoke on the telephone to discuss the collection of \$200,000 in genuine U.S. currency.

23. On or about January 2, 2014, in Woodstock, Georgia, SHANNON LAMONT SMITH uttered one (1) counterfeit \$100 FRN at a McDonald's restaurant.

24. On or about January 3, 2014, ITZHAK LOZ and RONEN FAKIRO purchased industrial warehouse unit #18 at 620 Deer Road in Cherry Hill, New Jersey for approximately \$147,683.64.

25. On or about January 12, 2014, ITZHAK LOZ telephoned ARKADIY BANGIYEV to confirm his travel to the United States and the collection of \$100,000 or more in genuine U.S. currency.

26. On or about January 14, 2014, ITZHAK LOZ and RONEN FAKIRO departed Israel and flew into LaGuardia International Airport in New York from Canada.

27. On or about January 15, 2014, in Forest Hills, New York, ITZHAK LOZ picked up a quantity of counterfeit and genuine U.S. currency from the residence of EDUARD BANGIYEV.

28. On or about January 24, 2014, in Cherry Hill, New Jersey, ITZHAK LOZ and RONEN FAKIRO opened a joint personal checking account at Bank of America ending in 8776.

29. On or about January 24, 2014, in Cherry Hill, New Jersey, RONEN FAKIRO opened a personal checking account at Bank of America ending in 8938.

30. On or about January 28, 2014, in Buffalo, New York, ITZHAK LOZ and RONEN FAKIRO imported an off-set printing press from Canada.

31. On or about February 7, 2014, in Nashville, Tennessee, JOHNNY LEE uttered four

(4) counterfeit \$100 FRN and a female co-conspirator (UCC-3) uttered one (1) counterfeit \$100 FRN at various retail locations, including but not limited to Ruby Tuesday, the Gap, Fresh Market and Babies R Us.

32. On or about February 10, 2014, in Canton, Georgia, SHANNON LAMONT SMITH uttered one (1) counterfeit \$100 FRN at Lowe's.

33. On or about February 15, 2014, ARKADIY BANGIYEV, ITZHAK LOZ, JOHNNY LEE and EDUARD BANGIYEV discussed counterfeit U.S. currency bearing the number "77" during a series of telephone conversations.

34. On or about February 17, 2014, in Woodstock, Georgia, SHANNON LAMONT SMITH uttered one (1) counterfeit \$100 FRN at Express Car Wash.

35. On or about February 18, 2014, in New York, New York, ITZHAK LOZ and EDUARD BANGIYEV deposited, and caused to be deposited, \$9,500 in U.S. currency into LOZ's Bank of America personal checking account ending in 3201.

36. On or about February 25, 2014, in Cherry Hill, New Jersey, ITZHAK LOZ and RONEN FAKIRO accepted delivery of a shipping container, imported from Israel, containing multiple off-set printing presses, hand tools and other items at 620 Deer Road, Unit #18.

37. On or about March 19, 2014, in Cherry Hill, New Jersey, ITZHAK LOZ and RONEN FAKIRO created and reproduced images of the Liberty Bell and "100" found on the blue security ribbon, a security and design feature of the re-designed \$100 FRN issued on October 8, 2013.

38. On or about March 22, 2014, in Bellmore, New York, BRATTIE GUERRA uttered a total of ten (10) counterfeit \$100 FRN during two separate transactions at the same CVS pharmacy.



39. On or about March 23, 2014, in Bellmore, New York, BRATTIE GUERRA uttered ten (10) counterfeit \$100 FRN at CVS pharmacy.

40. On or about March 23, 2014, in Wantagh, New York, BRATTIE GUERRA uttered ten (10) counterfeit \$100 FRN at CVS pharmacy.

41. On or about March 23, 2014, in Rockville Center, New York, RAMEL EPPS, BRATTIE GUERRA and a female co-conspirator from New York (UCC-4) uttered six (6) counterfeit \$100 FRN, in two separate transactions, at the same CVS pharmacy.

42. On or about March 23, 2014, in Nassau County, New York, RAMEL EPPS and BRATTIE GUERRA obtained counterfeit U.S. currency from TARELL JOHNSON and provided it to FREDERICK BARRETT.

43. On or about March 24, 2014, in Rockville Center, New York, RAMEL EPPS possessed thirty (30) counterfeit \$100 FRN and FREDERICK BARRETT possessed nineteen (19) counterfeit \$100 FRN.

44. On or about March 26, 2014, in Philadelphia, Pennsylvania, BOAZ BOROHOF and OFRA BOROHOF entered the United States at the Philadelphia International Airport after leaving Israel for the purpose of counterfeiting U.S. currency.

45. On or about April 2, 2014, in Cherry Hill, New Jersey, ITZHAK LOZ and RONEN FAKIRO created and reproduced multiple images of a watermark of a portrait of Benjamin Franklin found on the new and re-designed \$100 FRN note issued on October 8, 2013.

46. On or about April 9, 2014, in Cherry Hill, New Jersey, ITZHAK LOZ and RONEN FAKIRO created and reproduced three security features of the new and re-designed \$100 FRN note, including the watermark of a portrait of Benjamin Franklin, the blue security ribbon and security thread.



47. On or about April 23, 2014, ITZHAK LOZ drove from Cherry Hill, New Jersey to New York to meet with ARKADIY BANGIYEV and EDUARD BANGIYEV.

48. On or about April 23, 2014, in Cherry Hill, New Jersey, ITZHAK LOZ deposited \$2,500 into his Bank of America personal checking account ending in 3201.

49. On or about April 23, 2014, in Cherry Hill, New Jersey, RONEN FAKIRO deposited \$4,900 into a Bank of America personal checking account ending in 8776, held jointly with LOZ.

50. On or about April 24, 2014, in Cherry Hill, New Jersey, RONEN FAKIRO deposited \$5,000 into a Bank of America personal checking account ending in 8776 held jointly with LOZ.

51. On or about May 21, 2014, in Cherry Hill, New Jersey, ITZHAK LOZ, RONEN FAKIRO, BOAZ BOROHOF and OFRA BOROHOF created and reproduced three front plate images of the older \$100 FRN bearing the portrait of Benjamin Franklin, the Federal Reserve Seal, "100," and quadrant numbers and letters, as well as the words "The United States of America," and other identifying features found on genuine U.S. currency.

52. On or about May 28, 2014, in Rockville Center, New York, ITZHAK LOZ and RONEN FAKIRO possessed and concealed approximately \$2.5 million worth of counterfeit U.S. currency in a Self-Storage facility leased by ITZHAK LOZ.

53. On or about May 28, 2014, in Cherry Hill, New Jersey, ITZHAK LOZ, RONEN FAKIRO, BOAZ BOROHOF and OFRA BOROHOF possessed uncut sheets of three counterfeit \$100 FRN (C-23332); approximately 20 printing plates bearing the U.S. Treasury seal, serial numbers and "100" in color shifting ink; boxes of shredded material bearing "100" in color shifting ink; cut and uncut security ribbon simulation; three Heidelberg printing presses; a

projector plate magnesium etching machine; two heat presses; an industrial shredder and paper cutter; inks, solvents, foil and other items used in the off-set printing process.

54. On or about May 28, 2014, in Jamaica, New York, ITZHAK LOZ possessed approximately \$94,000 in genuine U.S. currency in his hotel room.

55. On or about June 1, 2014, in Ft. Lauderdale, Florida, JOHNNY LEE possessed approximately seven (7) counterfeit \$100 FRN as he entered the United States.

(All in violation of Title 18, United States Code, Section 371).

**Forfeiture Notice**

1. Pursuant to Rule 32.2(a) of the Federal Rules of Criminal Procedure, notice is hereby given to the defendants that the United States will seek forfeiture as part of any sentence in accordance with Title 18, United States Code, Sections 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), in the event of any defendant's conviction on Count 1 of this indictment.

2. Upon conviction of Count 1, in violation of Title 18, United States Code, Sections 371, 471, 472, 473 and 474, the convicted defendant(s) shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to a violation of Count 1 of this indictment.

3. Substitute Assets: Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), the convicted defendant(s) shall forfeit to the United States any other property, real or personal, up to the value of the property described above, if by any act or omission of the defendant(s), the property subject to forfeiture:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred, sold to, or deposited with a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty.

The property subject to forfeiture as substitute assets includes, but is not limited to, the following:



Bank Accounts

a. PNC Bank

Account #805-960-6249 held in the name of A.K. 47<sup>th</sup> Street Buyers;

b. TD Bank

Account #793-0048926 held in the name of Arkadiy BANGIYEV;

Account #793-0043760 held in the name of Eduard BANGIYEV;

Account #426-1239268 held in the name of Arkadiy BANGIYEV and Anna Bangiyev;

Account #427-0124400 held in the name of M&A Star Realty LLC;

Account #792-9678949 held in the name of Arkadiy BANGIYEV and Illana Bangiyev;

c. Chase Bank

Account #826-389868 held in the name of Arkadiy BANGIYEV and Julia Udvenko;

d. Bank of America

Account #910203201 held in the name of Itzhak LOZ;

Account #381037288938 held in the name of Ronen FAKIRO;

Account #381037288938 held in the name of Itzhak LOZ and Ronen FAKIRO;

Real Property

110-37 69th Avenue, Forest Hills, New York;

112-44 68th Avenue, Forest Hills, New York;

98-21 67th Avenue, Flushing, New York;

98-23 67th Avenue, Flushing, New York;

102-02 65th Road, Flushing, New York;

9833 64th Avenue #1B, Flushing, New York;

6125 98th Street, Rego Park, New York;

620 Deer Road, Unit #18, Cherry Hill, New Jersey;

Vehicles

- a. 2013 Mini Cooper, VIN: WMWZC5C58DWP34212, registered to Sharon McFarlane-Jones;
- b. 2011 black LR4 Range Rover, VIN: SALAK2D48BA557140, registered to Irina Alishayeva;
- c. 2012 Land Rover, VIN: SALMP1E47CA389368, registered to Eduard Bangiyev;
- d. 2006 Bentley, VIN: SCBBR53W36C039767, registered to Eduard Bangiyev; and
- e. 2009 Infiniti, VIN: JNRAS18W19M156163, registered to Sharon McFarlane-Jones.

4. Money Judgment: Upon conviction of Count 1 of the indictment, the United States will seek a forfeiture money judgment against the convicted defendant(s) in an amount as is proved at trial in this matter representing the total amount of proceeds obtained as a result of the defendants' offense, for which the defendants shall be jointly and severally liable.


(In accordance with Title 18, United States Code, Section 981(a)(1)(C), Title 28, United States Code, Section 2461(c) and Rule 32.2(a), Federal Rules of Criminal Procedure.)

A TRUE BILL

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FOREPERSON

Pursuant to the F. Government Act,  
the original of this page has been filed  
under seal in the Clerk's Office.

DANA J. BOENTE  
UNITED STATES ATTORNEY



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Kimberly R. Pedersen  
Assistant United States Attorney